

ENTERED

May 03, 2024

Nathan Ochsner, Clerk

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

SPECTRUM	§	CIVIL ACTION NO
LABORATORIES LLC,	§	4:22-cv-03705
Plaintiff,	§	
	§	
	§	
vs.	§	JUDGE CHARLES ESKRIDGE
	§	
	§	
URZ TRENDZ LLC, <i>et al</i> ,	§	
Defendants.	§	

ORDER GRANTING IN PART MOTION FOR SANCTIONS

Plaintiff Spectrum Laboratories, LLC filed its Motion for Sanctions (the “Motion”) [Dkt. 83]. The Court has considered the Motion and responsive papers, and heard from the parties at a February 13, 2024, Motion Hearing [Dkt. 97].

The Court FINDS as follows.

The motion is DENIED to the extent that it requested sanctions for the reasons stated on the record.

The motion is GRANTED to the extent that it requested further specification and enforcement of prior discovery orders.

It is thus DETERMINED that Spectrum Laboratories must pay the cost of an ESI vendor in the first instance. If later production of relevant documents suggests substantial noncompliance to this point by URZ Trendz, Spectrum Laboratories may bring a motion to shift costs.

It is further ORDERED that:

1. URZ must make the following ESI sources available for forensic copying and searching by Spectrum’s ESI vendor (and otherwise assist

Spectrum and its ESI vendor in obtaining those copies):

- A. Each email account that URZ (including its owners or representatives) uses for any business purpose and that can be fully accessed and copied through a web browser (e.g., Gmail, Yahoo, Microsoft 365, etc.). For these email accounts, URZ must produce the name of the email provider, the username and password, and any other information or assistance needed to access and copy the accounts. With that information, Spectrum's ESI vendor should make a forensic copy of the email accounts through web access and run keyword searches, such as "Spectrum," "Quick Fix," "QF," and "counterfeit."
 - B. Each email account that URZ (including its owners or representatives) uses for any business purpose and that operate on a private email server or a server hosted by a third-party that cannot be accessed and copied through a web browser.
 - C. Each hard drive, server, cell phone, laptop computer, desktop computer, tablet, or other electronic device that URZ (including its owners or representatives) uses for any business purpose.
 - D. Any database or software through which URZ transacts or tracks sales, for example, but not limited to, QuickBooks.
2. URZ must identify every bank account through which it transacts any business, including the name of the bank and account numbers so that Spectrum may issue subpoenas to those banks to trace payments to others responsible for the counterfeiting or through whom URZ has obtained *Quick Fix*.

3. URZ must produce all records of purchases and sales of *Quick Fix*, as it was previously ordered to produce, including all receipts (or other proof of sale records) and payment records (including ACH/wire confirmations, cancelled checks, and bank records).
4. URZ must identify each physical location where it conducts business or stores business records/information. URZ must also make those locations available for physical inspection by Spectrum, provide full access to any business records, and provide assistance to Spectrum in locating and examining such records.

Failure by URZ to comply may result in monetary sanctions or a default judgment against it in Spectrum's favor.

SO ORDERED.

Signed on May 3, 2024, at Houston, Texas.



Charles R. Eskridge, Jr.
Hon. Charles Eskridge
United States District Judge